

**Allocation Stipulations for the 2004-2005
W-2 And Related Programs Contract
(Amended August 4, 2003)**

Allocation stipulations for the W-2 and Related Programs Contract for the 2004-2005 Contract Period are presented below. Caseload and funding amounts are presented on the following chart.

Base Allocations

The Base Allocation for the W-2 and Related Programs is identified by W-2 geographic area (see W-2 Base Allocations chart) and includes the following three parts:

- Administration: funding for the costs of management and overhead related to the operations of the W-2 and Related Programs within the agency. This includes costs associated with intake, screening and eligibility determination and other shared costs as determined by the approved federal cost allocation methodology for the agency.
- Services: funding for services and staff costs related to the provision of services and other non-benefit allowable expenditures.
- Benefits: funding for CSJs, W-2 T, and Custodial Parent of an Infant payments for the estimated caseload in each W-2 geographic area or consortium.

The sum of Administration, Services, and Benefits is the Base Allocation. Although information is presented for the separate categories of Administration, Services and Benefits, a W-2 Agency has the flexibility to use the Base Allocation for allowable expenses even if the ratio between Administration, Services and Benefits differs from the amounts in the chart. The exception to this flexibility is that Administration is capped at fifteen percent (15%) of the Contract total (twelve percent [12%] for Milwaukee geographic areas).

In order to address the likely change in caseload over the period of the contract, the Department is reserving the final twelve (12) months of benefits funding. The actual contract will include benefits funding for the first twelve (12) months of the contract period with the remaining funding to be allocated in two additional six (6) months portions to W-2 agencies based on more recent caseload information. Service funds may also be reallocated based on a significant caseload shift.

Base Allocation Adjustments

In order to determine the Base Allocation, the following adjustments were made:

- 1) Administration allocations for the six Milwaukee geographic regions are set at twelve percent (12%) of the contract level to reflect historic spending needs for these regions. The remaining funding not yet allocated will be reserved by the Department as a set-aside fund to meet unforeseen program needs in the Milwaukee geographic regions.

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2) The Department has established a minimum W-2 cash caseload number to reflect the minimum infrastructure necessary for an agency to conduct business. Any W-2 geographic area that had fewer than five W-2 Payment Cases in the caseload average receives a base of five cases prior to applying the full allocation methodology.

3) The Department has reduced the overall allocation level to reflect the funding that will be needed for Transitional Jobs. \$2,424,796 has been reserved from the Services Allocation for costs associated with Mentoring of Transitional Jobs participants. \$29,767,392 has been reserved from the Benefits Allocation for the costs of wages and related costs for Transitional Jobs participants. \$2,000,000 has been reserved for Administration of the Transitional Jobs component. The W-2 Agency is still required to provide educational and barrier assessment and appropriate case management services for Transitional Jobs participants

Caseload Assumptions

Averaging each caseload type using the most recent twelve (12) months available and then applying a weight to each caseload type determines the Total Adjusted Caseload. The weight reflects the effort the worker uses for that type of case. The methodology was developed by the Department with input from the W-2 Contracts and Implementation (C&I) Committee Caseload Information Subcommittee. The caseload types include: W-2 Paid, W-2 Not Paid, Food Stamp Employment and Training (FSET), Child Care (CC) Only, CC/Medical Assistance (MA), CC/Food Stamp (FS), and CC/MA/FS.

The average of the most recent twelve (12) months for each caseload type allows for the variance in caseloads and recognizes seasonal or local trends that may be taking place in individual areas. Relative weights were attributed to each caseload type to reflect the workload of the W-2 worker for that case type. This recognizes that all cases do not require the same effort. The final caseloads are totaled to get the Total Adjusted Caseload. Each W-2 geographic area's percentage of the statewide Total Adjusted Caseload is applied to the monies to be allocated. By using this process for allocation of the funding allowed in the 04-05 Biennial Budget, each W-2 geographic area is allocated their proportionate funding based on workload to the other W-2 areas.

Funding for Services was allocated using the Total Adjusted Caseload described above. The funding for cash benefits was allocated based on the area's proportion of the W-2 Cash twelve (12) month average caseload. The funding for Administrative is fifteen percent (15%) of the total for Administrative, Services and Benefits. Milwaukee's administrative funding is twelve percent (12%) of the Milwaukee total for Administrative, Services and Benefits, to allow for the set-aside.

Funding Outside the Base Allocation

Other funds available to W-2 Agencies but not reflected in the Base Allocation for the 2004-2005 W-2 Contract and Related Programs include the following:

- Job Access Loan funds. An allocation schedule for JALs will be released prior to the start of the Contract Period.

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- Children First funds will be based on a local decision regarding whether the W-2 Agency will administer the program and subject to the Department's approval of the agency's plan.
- Supplemental Food Stamp Employment and Training funds to match local funds are available at the request of the W-2 Agency provided the source of local funds are an allowable source in accordance with federal regulations. Note - the requirement to serve FSET cases is covered by the Base Allocation.
- Contracted Child Care funds will be based on a specific plan submitted by the W-2 Agency and approved by the Department.
- Incentive funds for approved consortiums. Additional resources may be available for one-time costs to support the development of consortium infrastructure during the first year of a consortium not to extend beyond the contract period.

Cost Allocation

Expenditures of funds provided through the Base Allocations must be in accordance with the Department's federal cost allocation plan and related cost reimbursement policies.

Child Care Eligibility

The Base Allocation for W-2 Agencies includes funding for determining eligibility for the Wisconsin SHARES program. The W-2 Agency may provide this service directly or subcontract with another qualified agency to determine eligibility using funds from their W-2 and Related Programs contract funding.

Tribal TANF

In the event that a Tribal Nation elects to create a Tribal TANF program, the W-2 Base Allocations may be adjusted to reflect the Tribal share of the State TANF Block Grant funds.